



April 18, 2017

Co-Chair, Senator Rod Monroe  
Co-Chair, Representative Barbara Smith Warner  
Joint Committee on Ways and Means, Subcommittee on Education

Dear Co-Chairs Monroe and Smith Warner,

Thank you for the opportunity to answer questions that arose during the April 11 Higher Education Coordinating Commission’s presentation, the April 12 Public Universities presentation, and the April 13 University Statewide and Public Programs presentation to the Ways and Means Subcommittee on Education.

In reference to [slide 283](#), Co-Chair Monroe requested information on allocation of the Sports Action Lottery funding per school in the 2015-17 biennium. The HB 5024 (2015) Budget Report specified the 2015-17 distribution of Sports Action Lottery. The 2015-17 allocation was as follows:

Sports Lottery			
	FY16	FY17	2015-17 Biennium
EOU	\$ 456,619	\$ 456,620	\$ 913,239
OIT	\$ 456,619	\$ 456,620	\$ 913,239
OSU	\$ 515,000	\$ 515,000	\$ 1,030,000
PSU	\$ 1,138,783	\$ 1,138,784	\$ 2,277,567
SOU	\$ 456,619	\$ 456,620	\$ 913,239
UO	\$ 515,000	\$ 515,000	\$ 1,030,000
WOU	\$ 581,358	\$ 581,538	\$ 1,162,716
<b>Total</b>	<b>\$ 4,119,998</b>	<b>\$ 4,120,182</b>	<b>\$ 8,240,000</b>

The HECC did not have a role in determining specific allocations to universities during the 2015-17 biennium. Institutions must spend Sports Action Lottery distributions according to ORS 461.543, which requires 88% of the allocation for athletics and 12% to scholarships, with scholarship funding split equally between merit and need based awards.

Under the ORS 461.543(1), of the 88% that goes to athletics:

- 70% expended via the Intercollegiate Athletic Fund must be spent on nonrevenue producing sports;
- 30% must be spent on revenue producing sports;
- At least 50% of all funding must go to women’s athletics.

In reference to [slide 288](#), Representative Lively asked for information on the value of degrees in relation to job opportunities and how, in the Student Success and Completion Model (SSCM), the degrees with additional weight are selected. Per OAR 715-013-0025(6)(c)(iii):

*The HECC will set the relative value of priority degrees which are of particular interest to the state of Oregon. This includes an emphasis on those that lead to employment in underserved high-demand and high-reward fields or those that fill a unique need. The HECC will solicit input from applicable state agencies, public universities and stakeholders to evaluate the expected labor force needs and identify what priority degree types, if any, exist. This will be reexamined by the HECC no less than once every five years. Degree areas of particular priority to the state and their relative value are established in OAR 715-013-0040 Section 8 Table 7.*

During development of the SSCM, the HECC collaborated with representatives from public universities to establish the current list of eligible degrees, informed by the work of the Oregon Employment Department’s forecast of high-wage/high-demand occupations. Degrees in the major areas listed below earn additional allocation through the Student Success and Completion Model calculation, due to their respective designation as degrees of acute value to the Oregon economy:

<b>Major</b>	<b>Group</b>
Computer and Information Science	STEM
Engineering	STEM
Engineering Technologies	STEM
Biological and Biomedical Sciences	STEM
Mathematics and Statistics	STEM
Biological and Physical Sciences	STEM
Systems Science and Theory	STEM
Mathematics and Computer Science	STEM
Natural Sciences	STEM
Physical Sciences	STEM
Health Professions, Related Programs	Health
Bilingual Education	N/A

Co-Chair Smith Warner asked for details regarding the definition of "rural student" within the SSCM ([slide 289](#)). The SSCM is codified in two Oregon Administrative Rules, including OAR 715-013-0025, which defines rural students as:

*First time-freshmen resident undergraduate students who are graduates of an Oregon high school classified by the National Education Statistics Locale Codes as follows: (31) Town Fringe, (32) Town Distant, (33) Town Remote, (41) Rural Distant, (42) Rural Fringe, and (43) Rural Remote.*

The National Center for Education Statistics (NCES) Locale Codes describe a school's location ranging from "large city" to "rural." The codes are based on the physical location represented by an address that is matched against a geographic database maintained by the Census Bureau.

Representative Whisnant requested more information regarding the Senate Bill 860 and Senate Bill 5701 funding allocations to institutions, as presented in [slide 290](#). SB 860 (2015) provided \$427,500, to be split between one Technical and Regional University (TRU) and one research university to be selected by the HECC to conduct a pilot program on mentoring students from low-income or first generation college-attending backgrounds. Western Oregon University (\$184,320) and Oregon State University (\$243,180) were awarded these grants. SB 5701 (2016) appropriated \$1,900,000 in non-SSCM public university support fund (PUSF) funding to the following universities to fund increased costs of compensation agreements with classified staff. Funds were disbursed in 2016-17:

- \$400,000-Portland State University
- \$251,559-Eastern Oregon University
- \$468,591-Southern Oregon University
- \$485,646-Western Oregon University
- \$294,204-Oregon Institute of Technology

The allocation of these dollars was specified in the SB 5701 Budget Report.

In reference to [slide 308](#), Co-Chair Smith Warner asked how rural and urban counties were classified when calculating the university freshmen participation rate as a percentage of Oregon public high school graduates in 2014-15. When classifying Oregon counties as rural or urban, the HECC uses classifications that were historically used in postsecondary data by the former Oregon University System (OUS) and were initially developed by the former Oregon Progress Board. Although we do not have access to their methodology, it appears that the Oregon Progress Board classifications align very closely with the rural/urban county designations

developed by the U.S. Office of Management and Budget. For the purposes of the Oregon county map slides, the following are considered to be rural counties: Baker, Clatsop, Coos, Crook, Curry, Douglas, Gilliam, Grant, Harney, Hood River, Jefferson, Josephine, Klamath, Lake, Lincoln, Malheur, Morrow, Sherman, Tillamook, Umatilla, Union, Wallowa, Wasco, and Wheeler.

As indicated during the April 11 presentation, the average university tuition over time data presented in [slide 297](#) was slightly different data than presented on previous days—the result of a correction in our methodology that we realized the need for this week, and we apologize for the error. Specifically, in the earlier slides, pre-2016-17 calculations included OIT-Wilsonville as a separate campus even though their tuition did not begin until recently, and also included WOU-Promise tuition. In the corrected version, these are not included in historical data. As a result, while the general trend remains the same, the 2007-08 figure for average tuition was corrected from \$6,654 to \$6,718. We have updated the previous tuition and fee over time slides (slides 45 and 75) to reflect this correction.

Senator Thomsen requested more information on completions by major. The information in Appendix A shows 2015-16 bachelor's degrees awarded at the universities by discipline.

Representative Smith Warner asked about the duration of a student's Pell eligibility. The Pell grant is available to a student for a lifetime maximum of six years of study, based on full-time, full-year enrollment.

In regards to the pie chart data presented by HECC on university costs in slide 302, OSU President Ray pointed out that the chart, and in particular the "Scholarship and fellowships" portion, does not include institutional fee remissions. He noted that to read this chart as indicative of university commitments to affordability would be an incomplete picture. This is correct. Remissions are not typically categorized as a cost; they are typically viewed as a reduction in revenue, not an expense, for accounting purposes.

During the April 13 presentation, Senator Roblan asked whether Oregon Renewable Energy Center (OREC) expertise would also be available to the Oregon Manufacturing Center (OMIC) consortium of companies in Scappoose. Yes, it can be. Though OREC's interdisciplinary project lab is located in Klamath Falls and the energy generation plants are in Klamath Falls, the expertise is university-wide at Oregon Tech. Based on company needs, OREC's energy expertise can be matched to companies around the state, based on the expertise of faculty located in Klamath Falls, Wilsonville or Scappoose. At this time, most of the expertise that will be located in Scappoose will be in manufacturing and mechanical systems. However, if the OMIC partners

need expertise to solve energy-related problems, they could certainly be matched to OREC-affiliated faculty, regardless of location.

Also, Representative Whisnant asked whether the Oregon Climate Change Research Institute (OCCRI) is a new state program. No, the OCCRI was established by the Legislature through HB 3543 (2007) in response to a report by the Governor's Advisory Group on Global Warming. OCCRI facilitates research, serves as a clearinghouse for climate change information, provides climate change information to the public in integrated and accessible formats, supports the Oregon Global Warming Commission in developing strategies to prepare for and mitigate the effects of climate change on natural and human systems, provides technical assistance to local governments, and at least once each biennium, assesses the state of climate change science as it relates to impacts on Oregon. OCCRI resides in the Oregon State University (OSU) College of Earth, Ocean, and Atmospheric Sciences, and consists of faculty and research staff at the University of Oregon, Portland State University, and Southern Oregon University, as well as several colleges and departments at OSU.

If you have any further questions, please do not hesitate to contact Kyle Thomas, Director of Legislative and Policy Affairs, at [kyle.thomas@state.or.us](mailto:kyle.thomas@state.or.us) or at 503-480-9596.

Sincerely,

A handwritten signature in black ink that reads "Ben Cannon". The signature is written in a cursive, slightly slanted style.

Ben Cannon  
Executive Director

## APPENDIX A.

### Bachelor's Degrees Awarded by Discipline 2015-16 Academic Year

#### Alphabetically by Discipline

Two-Digit CIP Code	Discipline	Count of Degrees
01	Agriculture	367
03	Natural Resources, Conservation	510
04	Architecture	133
05	Area, Ethnic, Cultural, Gender, Group Studies	78
09	Communication, Journalism	953
11	Computer and Information Science	594
13	Education	363
14	Engineering	1,093
15	Engineering Technologies	114
16	Foreign Languages, Literatures, Linguistics	346
19	Family and Consumer Sciences	590
23	English Language and Literature	293
24	Liberal Arts and Sciences, Humanities	478
26	Biological and Biomedical Sciences	1,037
27	Mathematics and Statistics	174
30	Multi/Interdisciplinary Studies	505
31	Parks, Rec, Leisure, Fitness Studies	446
38	Philosophy and Religious Studies	71
40	Physical Sciences	276
42	Psychology	999
43	Homeland Security, Law Enforce, Protective Services	345
44	Public Administration and Social Services	252
45	Social Sciences and History	2,175
50	Visual and Performing Arts	854
51	Health Professions, Related Programs	1,105
52	Business, Mgmt, Marketing, Related Support Svcs	2,620
54	History	226
<b>Grand Total</b>		<b>16,997</b>

#### Ranked from Most to Least Degrees Awarded

Two-Digit CIP Code	Discipline	Count of Degrees
52	Business, Mgmt, Marketing, Related Support Svcs	2,620
45	Social Sciences and History	2,175
51	Health Professions, Related Programs	1,105
14	Engineering	1,093
26	Biological and Biomedical Sciences	1,037
42	Psychology	999
09	Communication, Journalism	953
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